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ABSTRACT

Chapter 2 of the Education Consolidation and Improvement Act places responsibility for the design and implementation of programs using Chapter 2 funds in the hands of local education agencies, and it assigns responsibility for administering the regulations to state education agencies. No formal mechanism exists, however, for coordinating the collection and distribution of information concerning the application and evaluation of Chapter 2 activities nationwide. The agenda presented in this booklet structures an evaluation process that would permit coordination among the states. The highest priority is given to questions concerning both the impact and effectiveness of programs and the nature of the intergovernmental relations involved in Chapter 2 implementation. Other topics addressed include program delivery and services, the participation of private schools, the states' portions of Chapter 2 funds, local education agency administrative procedures, the fiscal impact and effectiveness of Chapter 2, and various special issues. The booklet also introduces the concepts behind the agenda, describes a computerized Chapter 2 evaluation data matrix kept by the Louisiana Department of Education, and outlines the summary of Chapter 2 evaluation reports being prepared by the United States Department of Education. An appendix annotates 12 research studies on Chapter 2 programs and funding. (PGD)

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National Research and Evaluation Agenda

Chapter 2 Education Consolidation and Improvement Act

EA 017 555

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National Research and Evaluation Agenda

ECIA Chapter 2

Southeastern Regional Council for Educational Improvement

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Introduction

The purpose of the national agenda for Chapter 2 is to provide a framework for evaluation and research conducted by the individual states, thereby producing a national montage of information about implementation of Chapter 2 of the Education Consolidation and Improvement Act (ECIA). The agenda is intended for state education agency Chapter 2 directors and staff members, federal program personnel, researchers and evaluators at both state and national levels, state Chapter 2 advisory committee members, and others who are involved with the operation of Chapter 2. Thus, it is directed to the providers of the information upon which policy makers base decisions concerning the program, rather than to the policy makers themselves.

ECIA Chapter 2 reflects a shift in federal education policy that is philosophical as well as economic. The 28 programs consolidated under the Chapter 2 block grant had been directed and monitored by federal agencies with the assistance of states. Congress now has placed basic responsibility for administration in the state education agencies, with the stated intent that responsibility for design and implementation of programs should fall mainly to local education agencies and their staff members.

The impetus for the agenda came from a number of concerns related to Chapter 2, including evaluations and evaluation processes to be employed, the making of policy judgments based only on information from the limited, existing national evaluations of the program, and the need for adequate information to support forthcoming program and funding decisions. Four concerns in particular stood out.

Inconsistent Evaluations

Every state evaluates Chapter 2. However, there are no clear guidelines for these evaluations; in fact, there is no consensus on how to define such evaluations. Furthermore, states vary considerably in their emphasis and implementation of the mandated evaluations. In some state agencies, for example, separate units are responsible for formal evaluations of the program; in others, the Chapter 2 director assumes that responsibility as an administrative function.

Fragmented Research

Study of the effectiveness of Chapter 2 has been scattered and is noncumulative. In the first year of the program, a number of research projects were conducted—primarily by national level organizations with special interest perspectives. These early studies employed hypotheses that were grounded in earlier, non-education block grants and emphasized comparisons between the prior categorical programs and the block grant. Consequently, the existing research does not offer educators either a comprehensive or a longitudinal picture of Chapter 2.

Federal Government Not an Advocacy Agent

The federal government cannot serve as an advocacy agent for Chapter 2. Authority and responsibility for Chapter 2 lie with the states. The states, however, have traditionally responded only to their own local audiences.

No Mechanism for Coordination

There is currently no formal mechanism for coordination between the federal government and the states or among the states themselves regarding the collection and distribution of information about Chapter 2.

The research and evaluation agenda is a major step in meeting these concerns. It is neither a rigid nor prescriptive design, but a listing of commonly shared, high-priority research areas. The agenda has been structured in two important directions. First, it is flexible so that individual state education agencies can examine areas particularly relevant to their implementation of Chapter 2 within their existing evaluation commitments. While all states will address some areas of the agenda, few (if any) will address all areas. Second, the framework provided by the agenda permits the various state efforts to be catalogued, resulting in a listing of states that can provide information as needed to address questions or issues that might arise.

Evaluation is an ongoing process. By working together, states will stimulate discussions of the processes of Chapter 2, improvements and expansions for Chapter 2, and overall benefits of Chapter 2 in education improvement nationwide.

A National Research and Evaluation Agenda for Chapter 2: The States' Perspective

Building a coherent national research agenda for Chapter 2 requires consideration of the existing research context. Elsewhere in this publication, 12 national studies are summarized that have been completed or were underway at the time of this writing. Without exception, these studies reflect the perspectives, needs, and national interests of their sponsors: U.S. Department of Education, U.S. General Accounting Office, American Association of School Administrators, and the National Committee for Citizens in Education. All of the studies make important contributions to an understanding of the federal block grant concept in general and the impact of Chapter 2 in particular. Future national research on Chapter 2 should proceed from and extend the information accumulated through these early studies.

However, since one of the major intents of the federal block grant legislation is for states to assume the basic responsibility for program administration, it follows that the next generation of Chapter 2 studies should give significant emphasis to information needs from the states' perspective. Until recently, there has been no collective state perspective on Chapter 2 research. However, beginning with the national conference on Chapter 2 evaluation, and continuing with the formation of the state Chapter 2 directors steering committee, the compilation of a 50-state Chapter 2 evaluation data matrix, and the identification of high priority research questions by a large representation of state and local Chapter 2 interests, a movement is now emerging that gives common voice to this state perspective. That point of view must be given a prominent position in the national research and evaluation agenda.

The various initiatives which shape the states' perspective for Chapter 2 contributed to the formation of the national agenda (see box p. 3) and identification of priority issues in evaluating Chapter 2 funding and programs. Building on the findings of national studies, on information shared in regional meetings of Chapter 2 directors, and on data gathered for the national evaluation matrix (see box p. 6), a survey was developed which identified potential research and evaluation questions. Over 250 persons nationwide responded to the survey (see box p. 16) rating 30 questions according to priority for inclusion in a national research and evaluation agenda.

Based upon the results of the survey and a review of related materials, it is proposed that the agenda for future Chapter 2 research and evaluation be shaped as follows: the highest priority to questions concerning program impact/effectiveness and intergovernmental relations (especially the issue of accountability); next highest priority to research on program delivery and services and nonpublic school participation; slightly lower priority to the state portion of Chapter 2 funds and to LEA administrative procedures; and lowest priority to additional research into fiscal impact/effectiveness. Additionally, questions will emerge from time to time about special Chapter 2 issues of intense interest to a limited audience. Accordingly, researchers and evaluators may be well advised to target some Chapter 2 studies to the specialized interests of specific constituency groups.

Shaping the Chapter 2 research agenda cannot be complete, however, without including some other very basic program considerations. If the purpose of the research is to illuminate matters of general as well as particular concern, then it must deal with some important underlying questions, the answers to which will give direction to all other research, and help determine the future of the program. What are the goals and expectations from both the national and state perspectives, and do they differ? Who are the key actors in Chapter 2 and what do they judge that the program ought to accomplish? Furthermore, what do they perceive the *actual* outcomes to have been? Do the legis-

How the National Research and Evaluation Agenda Came About

Under Chapter 2, not only are there opportunities for states to assume leadership for the program, but there also are expectations that they do so.

With these opportunities and expectations in mind, state Chapter 2 directors began to meet regionally to discuss a number of issues, including those related to research and evaluation. One outcome of the meetings held with representatives of the southeastern states was the national conference on Chapter 2 evaluation in New Orleans, February 19-22, 1984. The objectives of the conference were:(1) the development of a state-by-state Chapter 2 evaluation data matrix; (2) consensus on the most significant Chapter 2 evaluation issues; and (3) securing a commitment from as many states as possible to voluntarily submit copies of their annual Chapter 2 evaluation reports to the U.S. Department of Education.

Parallel to preparation for the New Orleans conference, planners reviewed the initiatives already taken by the states with respect to assuming a strong leadership role in Chapter 2—the conference itself, the evaluation data matrix then underway, the planned identification of major evaluation issues, and the formation of what later became a national steering committee of state Chapter 2 directors. Cognizance also was taken of Chapter 2 studies already completed or in progress by national organizations and agencies.

It was proposed that these events and activities be linked with unmet needs in a national research and evaluation agenda for Chapter 2. The Louisiana State Department of Education (which was co-host of the national conference, serves as co-chair of the steering committee, and maintains the computerized evaluation data matrix) agreed to draft the research and evaluation agenda.

lated goals and structures of Chapter 2 allow it to meet the expectations of its various stakeholders? Are the criteria that will be used to judge the success of Chapter 2 realistic in light of the program's goals and structures?

Probing further, we should explore the question of whether embracing Chapter 2 necessarily means abandoning the spirit of the antecedent programs. Before Chapter 2, federal education dollars were typically targeted toward students with specific needs and disadvantages. With its current structure and funding level, Chapter 2 may be pitting the good that *some* resources can do for *all* children against the value of providing *extra* resources for *some* children.

Can Chapter 2 be changed without losing the features that are reported to make it worthwhile? The flexibility of the program has been cited as the key characteristic that allows school systems to get more value from federal dollars than was possible under the categorical programs. Would "improving" the program or "tampering" with it destroy this characteristic?

Finally, is it possible to discuss a single effect of Chapter 2 or to identify a principal goal or expectation for the program when it supports a diverse range of programs that frequently are interwoven with other local activities and resources? Isolating the impact of a few dollars per child may be impossible, yet if these few dollars provide a key instructional component (such as achievement testing information) or serve to encourage contributions of local revenues (acting as "seed money," as it were), ignoring the effects of these dollars would be inappropriate. Chapter 2 is a different kind of program from what we are accustomed to seeing and useful information can be collected only on the program's own terms. Our research and evaluation agenda, therefore, must give definition to those terms and mount the kinds of research that will allow educators and policy makers at all levels to make reasoned judgments about the role, impact, accomplishments, and future of Chapter 2.

The altered federal-state relationship implicit in the enactment of the block grant for federal participation in the nation's education enterprise implies the need for a state perspective on Chapter 2 research and evaluation. To suggest, however, that there is a single state perspective would be to deny the unique character of each state's experience with the education block grant process. The agenda must allow for this uniqueness to be examined and reported, while at the same time encouraging studies of issues that occupy a broad band of interest common to all states Not only will studies of Chapter 2 be conducted from the perspective of the states, both individually and collectively, but attention will continue to be devoted to matters of paramount national interest as well. The Chapter 2 research and evaluation agenda, then, must be cohesive, coherent, comprehensive, and complete.

The National Chapter 2 Research and Evaluation Agenda

The following outline offers a resource and guide for studies designed to meet Chapter 2 evaluation requirements and address other research issues. Evaluators and researchers at the state level especially, but nationally as well, are encouraged to address the questions of particular interest to them and to contribute the results of their studies to the national montage, or catalog, of information about the implementation and effects of Chapter 2.

The questions listed fall naturally into eight topic areas identified by Chapter 2 directors and evaluators. While they are considered to be important by a broad spectrum of Chapter 2 interests across the country, researchers should bring their own insight to bear in responding to the questions and should add new ones as developments occur in Chapter 2 that necessitate careful study and consideration.

Intergovernmental Relations

Issues concerned with: common understandings at federal, state, and local levels of government about the purposes of Chapter 2, about the roles of each level, and about the relationship of Chapter 2 to other educational programs and activities; accountability in the context of local flexibility; and communication flow both upward and downward.

Since the block grant process marks a major change in federal education funding procedures, it is both understandable and appropriate that the resulting relationships between and among various levels of government should receive close scrutiny. Thus, intergovernmental relations already have received attention in a number of national studies, including the SRI study of local operations under Chapter 2, the Office of the Inspector General (ED) reviews of state systems, and the Division of Educational Support (ED) state administration assessments (see Appendix). Several of the questions receiving high priority ratings on the national survey also deal with intergovernmental relations issues: How well have the purposes of Chapter 2 been achieved? How well do Chapter 2 activities address local, state, and national needs? How well are LEAs complying with Chapter 2 law and regulations? Indeed, the whole concept of accountability for Chapter 2 appears to remain in question and should continue to occupy a prominent place on the research and evaluation agenda.

The questions about intergovernmental relations are:

I. ***Common Understandings about Chapter 2***

- A. *What do individuals at federal, state, and local levels perceive the purposes of Chapter 2 to be?*
- B. *What expectations for Chapter 2 are held by individuals at federal, state, and local levels?*
- C. *What are the roles of LEAs, SEAs, ED, state/federal legislators, professional organizations, and advisory groups in program operations?*
- D. *What federal-state, state-local, federal-local, and state-state interrelationships have evolved with Chapter 2?*

II. **Accountability**
- A. *What accountability mechanisms have been established for Chapter 2 operations?*
- B. *What effect does deregulation and increased local autonomy have on SEA and LEA relationships?*
- C. *To what extent have the purposes of Chapter 2 been met?*
- D. *To what extent do Chapter 2 activities address local, state, and national needs?*
- E. *To what extent are LEAs complying with Chapter 2 law and regulations?*

III. **Communication Flow**
- A. *How do LEAs, SEAs, and U.S. Department of Education facilitate communications among themselves about Chapter 2?*
- B. *What types of information about Chapter 2 do LEAs, SEAs, and the U.S. Department of Education seek from one another?*
- C. *How are Chapter 2 programs coordinated with other federal and state programs?*
- D. *How are Chapter 2 programs linked to other state educational needs and priorities?*

Program Delivery and Services

Issues concerned with: the types of programs, projects, and activities supported by Chapter 2; selection and participation of schools; staff and students; and program planning and evaluation.

Studies concerned with program delivery and services abound, but the category deserves continued attention because it involves issues basic to an understanding of the use of Chapter 2 resources. The threshold question is: What types of programs, projects, and activities are being supported by LEAs with Chapter 2 funds? Periodic research related to this question will provide policy makers and program planners with longitudinal information about the patterns in educational support provided through Chapter 2. Similarly, while questions concerned with the LEA administrative procedures category have been incorporated into several studies to date, some questions persist. Generally, no clear information has been reported about how program needs and priorities are determined and who determines them, although such information is of high priority interest to well over half of the national survey respondents.

The questions about program delivery and services are:

I. **Types of Programs and Services**
- A. *What programs, projects, and activities are supported by LEAs with Chapter 2 funds for Subprograms A, B, and C?*
- B. *How are these programs, projects, and activities implemented?*
- C. *How do these programs, projects, and activities compare with those supported by the antecedent, categorical funds?*

II. **Selection of Program Participants**
- A. *What criteria are used to target students for participation in Chapter 2 programs?*
- B. *What criteria are used to target schools for participation in Chapter 2 programs?*

III. **Program Staff**
- A. *How are Chapter 2 programs staffed by LEAs?*
- B. *What types of personnel are employed with Chapter 2 funds?*

IV. **Program Planning and Evaluation**
- A. *How are teachers and principals involved in planning Chapter 2 programs?*
- B. *What planning procedures are used by LEAs?*
- C. *What evaluation procedures are used by LEAs?*
- D. *How are evaluations used for program planning?*
- E. *How congruent are program operations with program plans?*

LEA Administrative Procedures

Issues concerned with: needs assessment and priority setting processes; citizen/public involvement in decision making; administrative requirements of Chapter 2 compared with other educational programs (including the antecedent categorical programs); and administrative costs and spending patterns.

The principal responsibility for the design and implementation of Chapter 2 rests with the personnel of local school systems because they have the most direct contact with students and are most directly responsi-

ble to parents. Administrative procedures employed in the delivery of programs and the provision of services relate closely to the effectiveness of the programs and services, while questions concerned with the LEA administrative procedures category of research issues have been incorporated into several studies to date. For the most part, no definitive information has been reported about how program needs and priorities are determined and who determines them. Such information, however, is of high priority interest to well over half of the national survey respondents.

The questions about LEA administrative procedures are:

I. Needs Assessment and Priority Setting

- *A. How are needs determined and who determines them?*
- *B. How are priorities determined and who determines them?*
- *C. How do Chapter 2 priorities compare with the priorities under previous categorical programs?*

II. Citizen/Public Involvement

- *A. What is the citizen/public involvement in decision making?*
- *B. What is the citizen/public involvement in program operations?*
- *C. Who are the advocacy groups and how do they support Chapter 2 and document its accomplishments?*

III. Administrative Requirements

- *A. What problems are there in administration and implementation?*
- *B. How do the administrative requirements for Chapter 2 compare to the administrative requirements for previous categorical programs?*
- *C. How has Chapter 2 reduced the administrative paperwork requirements in local education agencies?*
- *D. How is local program accountability maintained?*

IV. Administrative Costs and Spending Patterns

- *A. What proportion of Chapter 2 funds is used for local administration? How does this compare with previous categorical program funds used for local administration?*
- *B. How do LEAs make the distinction between supplementing and supplanting in the use of Chapter 2 funds?*
- *C. What proportion of Chapter 2 funds is used to support each of the Subprograms?*

ECIA Chapter 2 Evaluation Data Matrix

The ECIA Chapter 2 evaluation data matrix is a cross-reference of data available from all 50 states and Puerto Rico regarding Chapter 2. It is divided into sections, or major categories as follows: 1) LEA General Information, 2) Assurances, 3) Nonpublic School Information, 4) LEA Program Information, 5) LEA Enrollment Information, 6) Budget Information, 7) Evaluation Information, and 8) Monitoring Information. Under each of these sections are subtitles, or data elements. For instance, under "Assurances" are data elements such as "supplement vs. supplant," "nonpublic school participation," "civil rights requirements," "maintenance of effort," and "LEA control of funds." A total of 164 data elements are divided among the eight categories, with at least one state collecting information related to each.

In addition to the major categories and data elements, information is available about the reporting mechanism each state uses to collect each element: application, monitoring, evaluation, reports, workshops, checklist, other. Thus, the matrix is a compilation of data by state, by reporting mechanism within the state (e.g., monitoring), by major category (e.g., nonpublic school information), and by data element under the major category (e.g., total number of nonpublic school children participating)

The evaluation data matrix has been developed cooperatively by Chapter 2 state directors as a resource for program personnel, researchers, evaluators, policy makers, and any others who need an efficient means for identifying state-level data sources related to specific Chapter 2 questions or issues. The Louisiana Department of Education maintains the computerized data matrix; further information about the matrix and computer searches for particular data sources may be obtained from the state Chapter 2 Director's office, Louisiana Department of Education, P.O. Box 94064, Baton Rouge, LA 70804-9064.

Chapter 2 Resources: Number of States with Each Type of Information

LEA General Information:

Name (50)
Mailing Address (50)
Chapter 2 Person &/ or Title (49)
Telephone No. (49)
Superint. Signature & Date (50)
Congressional District (5)
Duration of Application (41)
Title of Project (21)
Private Liaison Person (16)
Senate District (7)
County (29)

Assurances:

Supplement vs. Supplant (50)
Nonpublic School part. (48)
Records & Info. - audits & eval. (49)
Parent, Teacher, Adm. partic. (50)
Civil Rights Requirements (37)
Chapter 2 Legis. & Regulations (36)
LEA Periodic Monitoring (22)
Maintenance of Effort (37)
Evaluation Design (32)
Title of Property to LEA (31)
Follow Appr. Indir. Cost Plan (32)
Audit Exception - LEA Repays (21)
Local Policy Followed (10)
LEA Controls Funds (33)
Meeting Subchapter a Req. (31)
Court Ordered Deseg. Req. (8)
Activities: Local Needs/Prior. (31)
Applic. Approved by Local Board (26)
Follow Planned Alloc. of Funds (30)

LEA Program Information:

Program Needs Stated (28)
Prog. Categories under Subchap. (47)
Program Description (36)
Program Abstract (13)
How Prog. Will Improve Ed. (23)
Description of Eval. Design (34)
Objectives for Each Program (41)
Relation. of Budget to Prog. (35)
Rel-needs, Fund, Eval, &Expend (23)
Appropriateness of Activities (27)
Services to be Provided (28)
Activities Listed (39)
Subject Areas to be Served (21)
Calendar of Events/Timelines (11)
Prof. Services Contract (18)

Nonpublic Information:

Name of School(s) (41)
Total Nonpub. Enrollment (44)
K-8 (30)
9 -12 (30)
Total Nonpub. Children Partic. (35)
K-8 (29)
9-12 (29)
Nonpublic Assurances (26)
Allocation By School (31)
No. of Disadvantaged Students (18)
Non-Student Activities (10)
How Schools will Participate (31)
Evidence of School Elig. (27)
Exportable Prod. Developed (11)
Private/Pub. Compar. of Needs (16)
Educational Improvements (19)
Equitability of Benefits (37)
Provision of Technical Asst. (24)
Resources Secular/Neut/Non-ideo (28)

LEA Enrollment Information:

LEA Enrollment (41)
K-8 (41)
9-12 (35)
Chapter 2 Participation (35)
K-8 (34)
9-12 (34)
Listing Schools to be Served (16)
Participating Groups (8)
Students' Grade (Cluster) (31)
Teachers (29)
Counselors (24)
Aids (20)
Parents (23)
Administrators (28)
Types of Child. Being Served (10)

Budget Information:

Subchapter Totals (46)
Public (44)
Nonpublic (40)
Programs under Subchapters (16)
Public (40)
Nonpublic (33)
Per Student Amounts (21)
High Cost (14)
Public (17)
Nonpublic (15)
Line Item Nonpublic (31)
Line-Item Public (40)
M & S by Category (Books, AV) (21)
Listing all Items over $50 (13)
Types of Materials & Equip (28)
Listing of Consult. (Dates, no.) (16)
Cooperative Activities (16)
Types of Services Purchased (22)

Evaluation Information:

% of paperwork reduction (17))
Ease of prog. administration (24)
Effectiveness of SEA admin. (25)
Simplification of reporting (22)
Problems caused by SEA admin. (18)
Adequateness of tech. asst. (21)
Positive features of Chapter 2 (25)
Weaknesses of Chapter 2 (23)
Solutions to weaknesses (10)
Adeq. of fund. level vs need (12)
Ease dir funds to needs vs catgy (14)
Nonpub. school partic. interest (17)
Cost effectiveness of program (6)
No. and cost of micro-computers (18)
Cost of micro-computer software (19)
Compar of block vs categ. grant (16)
Exemplar./adaptability of prog. (9)
Attitude-add fund in block grt. (9)
Problems encountered in program (27)
Documentation of student gains (19)
Local admin. effectiveness (15)
Activ. performed w/o Chap2 fund (6)
Chap 2 impact on LEA ed. prog. (27)
Descrip. of non-student activ. (9)
Program contin. with Chapter 2 (6)
Descrip. of ed. improvements (19)
Exportable products developed (11)
Description of products (13)
Serv. rec'd. from ed. coop. (4)
Quan. & qual. of Chap 2 serv. (11)
Uses of materials and equipment (23)
Other fund. sources being used (8)
Contracted serv unavail in LEA (5)
Hrs. of serv. rec'd partic. (2)
Listing of high cost program (5)
Prog. cont'd., discont'd, new (12)
Unmet needs due to reduced fund. (6)
Construction activities (2)
Plans/results of teacher train. (13)
Mini grant survey (3)
LEA perceptions of Chapter 2 (22)
How were LEA prior. & needs set (21)
Rel. of needs assess to implem. (12)
Congruence of applic. to implem. (14)
Effect of lack of approv author. (2)
Reduc of fed/state intrusiveness (9)

Monitoring Information:

Inventory control process (26)
How distrib funds among schls (17)
Prog. amend/approv-fund. oblig. (32)
Expends. vs approved budget (43)
Expenditure documentation (40)
Timely submission of reports (27)
Maintain separate records (33)
Provis. for fiscal/compli audit (40)
Expending carry-over funds (35)
Dissem. of program in LEA (17)
Implement. of activities/serv. (29)
Materials & equip. inventory (36)
Prompt. of order/rec'ving mat. (11)
Identify target students (12)
Timely employment of personnel (12)
Has overstaffing occurred?(8)
Adjust of objectives/timelines (12)
Follow SEA mgmt. requirements (16)
Consortium agreements-status (13)
Prior SEA approv of prog chnges (36)
Time/attend report on personnel (18)

Program Impact/Effectiveness

Issues related to: identifiable and/or measurable changes in student performance; services to students and teachers; populations served; and local discretion in program design and operation attributable to Chapter 2

National research about program impact/effectiveness has been limited up to this time. A program so diverse in its operations as Chapter 2 presents considerable difficulties in terms of research design for impact studies. Yet, over two-thirds of the respondents to the national survey on Chapter 2 research questions gave high priority to the inclusion of questions about the impact of Chapter 2 on classrooms and children in the national research and evaluation agenda.

Almost three-quarters of the group gave the same ratings to questions about the outcomes or effects that can be attributed to Chapter 2. In addition, by calling upon information contained in the national Chapter 2 evaluation data matrix, it can be seen that over one-half of the states already collect data about the impact of Chapter 2 on local educational programs. Interest in Chapter 2 impact research is clearly widespread among persons throughout the country who are knowledgeable about the program, and apparently a significant amount of data is already available upon which to base such research.

Questions about program impact/effectiveness are:

I. Changes in Student Performance

- *A. What impact have Chapter 2 programs had on classrooms and children?*
- *B. What types of objective measures are appropriate for linking student performance to Chapter 2 programs?*

II. Services to Students and Teachers

- *A. What are the significant achievements in each of the Chapter 2 program subchapters?*
- *B. What types of Chapter 2 services to students and teachers are most successful?*

III. Populations Served

- *A. What populations are being served by Chapter 2?*
- *B. How well are groups who were the targets of the antecedent categorical federal programs being served by Chapter 2?*

IV. Local Program Design and Operation

- *A. What do LEAs do now with Chapter 2 that they did not do prior to Chapter 2?*
- *B. What are LEAs not doing now that they did do prior to Chapter 2?*

Fiscal Impact/Effectiveness

Issues concerned with: Chapter 2 funding in comparison to previous categorical funding, to state and LEA education needs and to administrative requirements; the impact of state distribution formulas on LEAs.

A great deal of attention has already been given to issues falling under this category. At least two-thirds of the national studies conducted to date give major focus to questions related to Chapter 2 fiscal matters. This may account for the fact that respondents to the research questions survey did not identify fiscal impact questions among the most pressing concerns to be included here.

Barring any significant changes in appropriations or distribution requirements at the federal level, this area should be of relatively low priority in the design of future Chapter 2 studies. Sufficient research has been conducted on at least the initial fiscal effects of the change from categorical to block grant federal education funding. The effectiveness of federal funds, however, is perhaps a more pressing issue.

The questions about fiscal impact/effectiveness are:

I. Chapter 2 Funding

- *A. How are Chapter 2 funds expended?*
- *B. How are Chapter 2 funds applied to previous categorical programs?*
- *C. What is the relative impact of Chapter 2 funds on the school program as a supplement to other instructional funds?*
- *D. How do Chapter 2 funds relate to state and LEA education needs?*

II. State Distribution Formulas

- *A. What are the fund distribution formulas used by SEAs and how are they developed?*
- *B. How do state distribution formulas maintain equity in the distribution of Chapter 2 funds?*
- *C. How are state advisory committees involved in the development of state distribution formulas?*

THE NATIONAL CHAPTER 2 RESEARCH AND EVALUATION AGENDA

Intergovernmental Relations

Issues concerned with: common understandings at federal, state, and local levels of government about the purposes of Chapter 2, about the roles of each level, and about the relationship of Chapter 2 to other educational programs and activities; accountability in the context of local flexibility; and communication flow both upward and downward.

I. Common Understandings about Chapter 2

- *A. What do individuals at federal, state, and local levels perceive the purposes of Chapter 2 to be?*
- *B. What expectations for Chapter 2 are held by individuals at federal, state, and local levels?*
- *C. What are the roles of LEAs, SEAs, ED, state/federal legislators, professional organizations, and advisory groups in program operations?*
- *D. What federal-state, state-local, federal-local, and state-state interrelationships have evolved with Chapter 2?*

II. Accountability

- *A. What accountability mechanisms have been established for Chapter 2 operations?*
- *B. What effect does deregulation and increased local autonomy have on SEA and LEA relationships?*
- *C. To what extent have the purposes of Chapter 2 been met?*
- *D. To what extent do Chapter 2 activities address local, state, and national needs?*
- *E. To what extent are LEAs complying with Chapter 2 law and regulations?*

III. Communication Flow

- *A. How do LEAs, SEAs, and U.S. Department of Education facilitate communications among themselves about Chapter 2?*
- *B. What types of information about Chapter 2 do LEAs, SEAs, and the U.S. Department of Education seek from one another?*
- *C. How are Chapter 2 programs coordinated with other federal and state programs?*
- *D. How are Chapter 2 programs linked to other state educational needs and priorities?*

Program Delivery and Services

Issues concerned with: the types of programs, projects, and activities supported by Chapter 2; selection and participation of schools, staff and students; and program planning and evaluation.

I. Types of Programs and Services

- *A. What programs, projects, and activities are supported by LEAs with Chapter 2 funds for Subprograms A, B, and C?*
- *B. How are these programs, projects, and activities implemented?*
- *C. How do these programs, projects, and activities compare with those supported by the antecedent, categorical funds?*

II. Selection of Program Participants

- *A. What criteria are used to target students for participation in Chapter 2 programs?*
- *B. What criteria are used to target schools for participation in Chapter 2 programs?*

III. Program Staff

- *A. How are Chapter 2 programs staffed by LEAs?*
- *B. What types of personnel are employed with Chapter 2 funds?*

IV. Program Planning and Evaluation

- *A. How are teachers and principals involved in planning Chapter 2 programs?*
- *B. What planning procedures are used by LEAs?*
- *C. What evaluation procedures are used by LEAs?*
- *D. How are evaluations used for program planning?*
- *E. How congruent are program operations with program plans?*

LEA Administrative Procedures

Issues concerned with: needs assessment and priority setting processes; citizen/public involvement in decision making; administrative requirements of Chapter 2 compared with other educational programs (including the antecedent categorical programs); and administrative costs and spending patterns.

I. ***Needs Assessment and Priority Setting***
   A. *How are needs determined and who determines them?*
   B. *How are priorities determined and who determines them?*
   C. *How do Chapter 2 priorities compare with the priorities under previous categorical programs?*

II. ***Citizen/Public Involvement***
   A. *What is the citizen/public involvement in decision making?*
   B. *What is the citizen/public involvement in program operations?*
   C. *Who are the advocacy groups and how do they support Chapter 2 and document its accomplishments?*

III. ***Administrative Requirements***
   A. *What problems are there in administration and implementation?*
   B. *How do the administrative requirements for Chapter 2 compare to the administrative requirements for previous categorical programs?*
   C. *How has Chapter 2 reduced the administrative paperwork requirements in local education agencies?*
   D. *How is local program accountability maintained?*

IV. ***Administrative Costs and Spending Patterns***
   A. *What proportion of Chapter 2 funds is used for local administration? How does this compare with previous categorical program funds used for local administration?*
   B. *How do LEAs make the distinction between supplementing and supplanting in the use of Chapter 2 funds?*
   C. *What proportion of Chapter 2 funds is used to support each of the Subprograms?*

Program Impact/Effectiveness

Issues related to: identifiable and/or measurable changes in student performance; services to students and teachers; populations served; and local discretion in program design and operation attributable to Chapter 2

I. ***Changes in Student Performance***
   A. *What impact have Chapter 2 programs had on classrooms and children?*
   B. *What types of objective measures are appropriate for linking student performance to Chapter 2 programs?*

II. ***Services to Students and Teachers***
   A. *What are the significant achievements in each of the Chapter 2 program subchapters?*
   B. *What types of Chapter 2 services to students and teachers are most successful?*

III. ***Populations Served***
   A. *What populations are being served by Chapter 2?*
   B. *How well are groups who were the targets of the antecedent categorical federal programs being served by Chapter 2?*

IV. ***Local Program Design and Operation***
   A. *What do LEAs do now with Chapter 2 that they did not do prior to Chapter 2?*
   B. *What are LEAs not doing now that they did do prior to Chapter 2?*

Fiscal Impact/Effectiveness

Issues concerned with: Chapter 2 funding in comparison to previous categorical funding, to state and LEA education needs and to administrative requirements; the impact of state distribution formulas on LEAs.

I. ***Chapter 2 Funding***
   A. *How are Chapter 2 funds expended?*
   B. *How are Chapter 2 funds applied to previous categorical programs?*
   C. *What is the relative impact of Chapter 2 funds on the school program as a supplement to other instructional funds?*
   D. *How do Chapter 2 funds relate to state and LEA education needs?*

II. ***State Distribution Formulas***
   A. *What are the fund distribution formulas used by SEAs and how are they developed?*
   B. *How do state distribution formulas maintain equity in the distribution of Chapter 2 funds?*
   C. *How are state advisory committees involved in the development of state distribution formulas?*

Nonpublic School Participation

Issues related to: types of programs, projects, and activities supported in nonpublic schools; the impact on nonpublic schools; equity between public and nonpublic schools; and the administrative relationships between public and nonpublic schools.

I. **Programs and Impact**

A. What types of programs, projects, and activities are supported by Chapter 2 funds for nonpublic education?

B. What is the impact of Chapter 2 on nonpublic students?

C. What benefits do nonpublic students derive from participation in Chapter 2?

II. **Equity**

A. How is equity assured with regard to public and nonpublic participation in Chapter 2?

B. How is equity maintained between public and nonpublic shares of Chapter 2 funds?

III. **Administrative Relationships**

A. How are nonpublic schools involved in decision making about the use of Chapter 2 funds?

B. What administrative structures have been established between public and nonpublic schools for the use of Chapter 2?

C. What state government structures help or hinder the involvement of nonpublic schools in Chapter 2?

D. How do LEAs consult with nonpublic schools about Chapter 2 programs for nonpublic school students?

E. What changes have occurred in the relationships between LEAs and nonpublic schools as a result of Chapter 2?

State's Portion of Chapter 2 Funds

Issues related to the types of programs, projects, and activities supported by the 20 percent portion of state funds; the state administration of Chapter 2; and state advisory committees.

I. **Programs, Projects, Activities**

A. What types of programs, projects, and activities are supported by the state's portion of Chapter 2 funds?

B. How are the needs determined to which the state's portion of Chapter 2 funds are directed?

II. **State Administration of Chapter 2**

A. What types of state administration activities are supported by the state's portion of Chapter 2 funds?

B. How do states differ in their administration of Chapter 2?

C. What proportion of the state's portion of Chapter 2 funds is used for state administration? How does this compare with previous categorical funds used for state administration?

III. **State Advisory Committees**

A. How are state advisory committees involved in the planning, development, support, implementation, and evaluation of programs, projects, and activities supported by the 20 percent portion of Chapter 2?

B. What responses are made by SEA administrators to state advisory committee recommendations?

Special Issues

Additional issues concerned with the development of a full understanding of Chapter 2, including: high-cost populations; education reforms; state and local evaluations; and a variety of other topics.

I. **High-Cost Populations**

A. How are children from low-income families served by Chapter 2?

B. How are children living in economically depressed urban and rural areas served by Chapter 2?

C. How are children in sparsely populated areas served by Chapter 2?

D. How are handicapped children served by Chapter 2?

II. **Education Reforms**

A. How are Chapter 2 funds being used to implement education reforms recommended by the National Commission on Excellence in Education and other national groups?

B. How is Chapter 2 integrated into state-initiated education reforms?

III. **State and Local Evaluations**

A. How do states evaluate the operation of Chapter 2 in their states?

B. What is the impact of state Chapter 2 evaluations on program operations?

C. How do LEAs evaluate their Chapter 2 programs?

D. What is the impact of evaluations on LEA Chapter 2 program operations?

E. What technical assistance do states provide LEAs in Chapter 2 evaluation?

IV. **Education Needs**

A. What educational needs are no longer addressed because of the reduction in total federal funds available to SEAs and LEAs resulting from the consolidation of categorical programs into Chapter 2, or other federal recissions?

National Steering Committee
State ECIA Chapter 2 Directors

Participants in the ECIA Chapter 2 evaluation conference, held February 19-22, 1984, in New Orleans, caucused by regions and selected representatives for membership on the national steering committee of ECIA Chapter 2 state directors. The committee provides a formal interstate communications link for a variety of Chapter 2 concerns. Its members are:

Northeast

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Station 23
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Nonpublic School Participation

Issues related to: types of programs, projects, and activities supported in nonpublic schools; the impact on nonpublic schools; equity between public and nonpublic schools; and the administrative relationships between public and nonpublic schools.

ECIA makes specific provisions for the inclusion of private schools as recipients of the benefits of Chapter 2. Several national studies include information about nonpublic schools. To date, however, most research questions have dealt with the mechanics of this participation. Although some testimony was given at the regional hearings held by the Intergovernmental Advisory Council on Education, most of it focused on why nonpublic schools should *not* be allowed to participate.

Overall, slightly under half of the national survey respondents gave high priority to nonpublic school participation questions. However, within the total group there were constituent subgroups (state Chapter 2 directors and staff members, nonpublic school representatives, and state advisory committee representatives) who consider it very important to include in the national agenda questions about the impact of Chapter 2 on nonpublic schools.

The questions about nonpublic school participation are:

I. Programs and Impact

- *A. What types of programs, projects, and activities are supported by Chapter 2 funds for nonpublic education?*
- *B. What is the impact of Chapter 2 on nonpublic students?*
- *C. What benefits do nonpublic students derive from participation in Chapter 2?*

II. Equity

- *A. How is equity assured with regard to public and nonpublic participation in Chapter 2?*
- *B. How is equity maintained between public and nonpublic shares of Chapter 2 funds?*

III. Administrative Relationships

- *A. How are nonpublic schools involved in decision making about the use of Chapter 2 funds?*
- *B. What administrative structures have been established between public and nonpublic schools for the use of Chapter 2?*
- *C. What state government structures help or hinder the involvement of nonpublic schools in Chapter 2?*
- *D. How do LEAs consult with nonpublic schools about Chapter 2 programs for nonpublic school students?*
- *E. What changes have occurred in the relationships between LEAs and nonpublic schools as a result of Chapter 2?*

State's Portion of Chapter 2 Funds

Issues related to: the types of programs, projects, and activities supported by the 20 percent portion of state funds; the state administration of Chapter 2; and state advisory committees.

Chapter 2 law provides that funds not to exceed 20 percent of a state's allotment may be reserved for state use. These funds may be used to support state administration of Chapter 2 and a variety of other purposes at the state's discretion.

Both the General Accounting Office block grant implementation study and the Division of Education Support (ED) assessments of state Chapter 2 administration (see Appendix) address some aspects of the implementation of the state's portion of Chapter 2 allotments. It appears from preliminary information available about the purposes of these two studies that only limited data are being collected about the programs that states support with these funds. Yet, it is with respect to this provision of Chapter 2 that program and spending differences among states are most pronounced. More extensive research into the types of programs, projects, and activities that are supported by the state's portion of Chapter 2 funds is needed.

The questions about state's portion of Chapter 2 funds are:

I. Programs, Projects, Activities

- *A. What types of programs, projects, and activities are supported by the state's portion of Chapter 2 funds?*
- *B. How are the needs determined to which the state's portion of Chapter 2 funds are directed?*

II. State Administration of Chapter 2

- *A. What types of state administration activities are supported by the state's portion of Chapter 2 funds?*
- *B. How do states differ in their administration of Chapter 2?*
- *C. What proportion of the state's portion of Chapter 2 funds is used for state administration? How does this compare with previous categorical funds used for state administration?*

III. State Advisory Committees

- *A. How are state advisory committees involved in the planning, development, support, implementation, and evaluation of programs, projects, and activities supported by the 20 percent portion of Chapter 2?*
- *B. What responses are made by SEA administrators to state advisory committee recommendations?*

Special Issues

Additional issues concerned with the development of a full understanding of Chapter 2, including: high-cost populations; education reforms; state and local evaluations; and a variety of other topics.

Finally, there are issues concerned with the implementation of Chapter 2 that are of a special character and do not lend themselves easily to inclusion in any of the other categories. Some are of short-term concern, while others are of continuing interest to Chapter 2 constituencies. Included initially in the agenda are topics related to specific requirements of the law such as services to high-cost students, maintenance of effort, supplementing vs. supplanting of funds, and program evaluation. All four of these topics are considered, at least to some extent, in one or more of the existing national studies. State advisory committee members and state department of education staff members who responded to the national survey are particularly interested in more research into the area of services to high-cost students.

Among other issues, nearly half of the respondents consider it of high priority to identify the educational needs which are no longer being addressed because of the reduction in total federal education dollars under grant consolidation. There also is some interest—though slightly less —in the question of how Chapter 2 is used to implement education reforms recommended by various national groups.

The questions about special evaluation issues are:

I. High-Cost Populations

- *A. How are children from low-income families served by Chapter 2?*
- *B. How are children living in economically depressed urban and rural areas served by Chapter 2?*
- *C. How are children in sparsely populated areas served by Chapter 2?*
- *D. How are handicapped children served by Chapter 2?*

II. Education Reforms

- *A. How are Chapter 2 funds being used to implement education reforms recommended by the National Commission on Excellence in Education and other national groups?*
- *B. How is Chapter 2 integrated into state-initiated education reforms?*

III. State and Local Evaluations

- *A. How do states evaluate the operation of Chapter 2 in their states?*
- *B. What is the impact of state Chapter 2 evaluations on program operations?*
- *C. How do LEAs evaluate their Chapter 2 programs?*
- *D. What is the impact of evaluations on LEA Chapter 2 program operations?*
- *E. What technical assistance do states provide LEAs in Chapter 2 evaluation?*

IV. Education Needs

- *A. What educational needs are no longer addressed because of the reduction in total federal funds available to SEAs and LEAs resulting from the consolidation of categorical programs into Chapter 2, or other federal revisions?*

National Summary of State Chapter 2 Evaluation Reports

In late September 1984, the Planning and Evaluation Service of the U.S. Department of Education convened an ED-SEA Work Group on State Chapter 2 Evaluation Reports to develop a plan for summarizing the contents of states' evaluation reports. The plan took the form of the outline for a summary document that will include both quantitative and narrative information on Chapter 2's operations and accomplishments. Since it is ED policy not to prescribe a standard reporting format for the states, it is expected that information for each of the outline topics and subtopics will not be available from each state report. Nevertheless, the summary document should provide a broad array of information about the states' implementation of Chapter 2 for the federal policy audience to whom the summary will be directed. Work on the report will begin in February 1985, after state evaluation reports have been completed. For more information, or to offer comments about the outline, write or call Dr. Carol N. Chelemer, Planning and Evaluation Service, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202, (202) 245-9401.

Following is the proposed outline for the national summary of state Chapter 2 evaluation reports:

I. General Impact Statement
(a summary drawn from other major sections)
A. Program strengths

(Related to Chapter 2 administration and programs at both the SEA and LEA levels) Strengths might include such items as:

1. program flexibility, variation in implementation to best suit individual state and local characters and needs
2. ease of administration
3. integration of Chapter 2 programs into districtwide and/or statewide planning efforts (to support state priorities, to supplement LEA improvement efforts, etc.)
4. permit LEAs and states to address needs of target populations currently unserved or underserved
5. distribution of funds (hence services/benefits on a broader basis than previously)
6. decision making at corresponding implementation level with corresponding public involvement

B. Program benefits
1. Benefits to children under Chapter 2 that would otherwise not be available (including public and private school students, special target populations)
2. Benefits to teachers
3. Benefits to LEAs
4. Benefits to states

II. Management of the Chapter 2 Program (at the SEA and LEA levels)

A. SEA program management
1. Management philosophy vis-a-vis operating Chapter 2
2. Managing the LEA flow-through portion of Chapter 2
a. development of formula
b. provision of technical assistance to LEAs re: program implementation (guidelines, workshops, etc.)
c. program stewardship (review of LEA applications, monitoring)
3. Managing the SEA portion of Chapter 2
a. process for decision making, prioritization of needs, consultation, considering use of Chapter 2 funds in context of total SEA efforts)
b. percent of allocation set-aside for management of SEA-based program
c. provision of services for nonpublic students/staff
d. reduction of reporting/record keeping
e. increased discretion/flexibility regarding use of funds
4. Federal-state relationship

B. LEA program management
1. Process for decision making (prioritization of needs, consultation, considering Chapter 2 funds in context of total regular LEA program)
2. Percent of allocation set-aside for program management
3. Administration of private school participation provisions
4. Reduction of administrative burden (application, reporting, evaluation, records)
5. Increased discretion/flexibility regarding use of funds

III. LEA Flow Through Program

A. Program strengths
1. Breadth of participation
a. student groups—public, private, target populations
b. others—teaching staff, administrative staff

B. Program benefits (resources/services unavailable in absence of program)
1. Budget/object class areas (what was purchased)
2. Services by subject areas, by populations served
3. By antecedent purposes
4. Inferences re: effectiveness based on linking Chapter 2 activities to body of research on effective schools

C. Supporting narrative for A & B (vignettes illustrative of program strengths and benefits)

IV. SEA Chapter 2 Program (state set-aside)

A. Program strengths
1. Breadth of activities

B. Program benefits
1. Direct grants to LEAs
2. Direct services to LEAs (training, curriculum, consultants, publications)
3. SDAD infrastructure development to enable SEA to better serve the needs of various clients other state offices, legislature)
4. Initiatives for statewide school improvement activities

C. Supporting narrative for A & B (vignettes illustrative of program strengths and benefits)

V. Current/Potential Factors Limiting Maximum Effectiveness of Chapter 2 Program and Administration (SEA and LEA levels) (identification of hindrances with illustrative examples, suggested remedies) These items should be pertinent to a federal policy audience

Research Questions Survey

A nationwide survey to identify high priority research questions related to ECIA Chapter 2 was conducted in May 1984. Members of groups closely involved in Chapter 2, principally those at state and local levels, were invited to participate in the survey. They included state Chapter 2 directors, SEA Chapter 2 staff, LEA staff, evaluators, nonpublic school staff, state advisory committee members, and others. The respondents were asked to rate 30 questions as high, medium, or low priority for inclusion in a national research and evaluation agenda.

The survey identified five questions that were rated high priority by two-thirds or more of the 258 respondents, with an additional three questions rated high priority by at least one-half. There were six questions that drew relatively little enthusiasm. Responses to the majority of questions were mixed, however, and support for inclusion in a national research agenda depended upon the category of respondents. For example, large percentages of state Chapter 2 directors, state agency staff members, and state advisory committee members gave high ratings to research questions about fund distribution formulas, criteria for selection of targeted students and schools, and services for high-cost populations. Comparatively small percentages of local education agency (LEA) personnel considered these same questions to be of high priority. On the other hand, LEA personnel, along with state directors, were the only ones to evince much interest in the way Chapter 2 funds are being used to implement education reforms recommended by the National Commission on Excellence in Education and other national groups.

State advisory council members, state directors and staff, and nonpublic school representatives gave high priority ratings to the question of how needs are determined in expending the 20 percent state portion funds. The latter group also was highly interested in the proportion of Chapter 2 funds used for local administration, and in all questions related to nonpublic school participation in Chapter 2. None of these questions was of particularly high priority interest to LEA personnel.

Thus, the results indicate that for a majority of the questions about ECIA Chapter 2 included in the survey, priority ratings tend to be in the medium range when looking at the Chapter 2 interest group as a whole. However, for almost all questions at least one subgroup included a large percentage of members who gave the question a high priority. For some questions, high ratings were given by few members of any subgroup. On the other hand, for the eight questions noted earlier, high ratings were given by a large percentage of the members of all subgroups. The latter questions are as follows (percentages of all 258 respondents giving high priority ratings are shown in parentheses):

1. How well have the purposes of ECIA Chapter 2 been achieved?(73%)
2. What outcomes or effects can be attributed to Chapter 2?(74%)
3. What types of programs, projects, and activities are being supported by LEAs with ECIA Chapter 2 funds?(71%)
4. What impact have the ECIA Chapter 2 programs had on classrooms and children?(69%)
5. How well do ECIA Chapter 2 activities address local, state, and national needs?(68%)
6. How well are LEAs complying with the ECIA Chapter 2 law and regulations?(57%)
7. How are needs and priorities determined and who determines them?(56%)
8. What types of programs and activities are being supported by the 20 percent state portion of ECIA Chapter 2?(50%)

Appendix
National Research on ECIA Chapter 2 Programs and Funding

A number of national evaluation studies of Chapter 2 have been conducted by federal agencies and private organizations since the inception of the block grant program. Others were in progress at the time this publication was prepared. Among the sponsors of national evaluations are: U.S. Department of Education and National Institute of Education, Government Accounting Office, Office of the Inspector General (ED), National Committee for Citizens in Education, and American Association of School Administrators. Twelve such studies are summarized here.

Nine Case Studies of the Implementation and Impact of Chapter 2
E.H. White & Co., for the National Institute of Education
Contact: Regina Kyle - (202) 783-3294
1025 Vermont Avenue, NW, Washington, DC 20208

This study tracked the development of Chapter 2 from its beginning in nine states, using a case study methodology. The states examined are Colorado, Maine, Michigan, Nebraska, Pennsylvania, South Carolina, Tennessee, Texas, and Washington.

The purpose of the study was to give an historical account of the program's development over its first two years of operation. State level implementation processes, including fund distribution formulas, advisory committee activities, and the like, were examined during the study's first year. Attention was directed to local education agencies during year two of the study, with emphasis on such topics as expenditures by program categories, changes occurring as a result of the consolidation of categorical federal funding into a single block grant, attitudes of local school personnel, and new programs developed as a result of Chapter 2. The study was due for completion in October 1984.

According to Regina Kyle, the project director, there is value in extending this type of study to look at a wide range of states. She also notes the difficulty arising from the aggregation of data beyond the state level for a program such as Chapter 2. Attempts to generalize the findings do not allow for the considerable differences that exist among states, producing, instead, a "least common denominator" description of the program.

National Study of Local Operations under Chapter 2 (ECIA)
SRI International, for the U.S. Department of Education
Contact: Marian Stearns - (415) 859-3997
333 Ravenswood Avenue, Menlo Park, CA 94025

This nationwide study of Chapter 2 is aimed primarily at describing activities and effects at the local education agency level during the third year (1984-85) of the program's operation. Study purposes include:

- Describing local activities and operations under Chapter 2 in the program's third year, noting changes over the first three years of the program and changes from antecedent programs.
- Assessing the achievement of federal legislative goals. Among these goals are educational improvement, reduction in administrative burden, and enhanced programmatic discretion at lower levels in the intergovernmental system.
- Describing how the federal block grant mechanism (Chapter 2 funding and guidelines and state actions or interpretations) influences LEA activities.
- Describing how state and local education agencies evaluate their Chapter 2 programs and developing options so that the Department of Education (ED) can offer technical assistance.

The study design includes a mail survey of 1,600 local school districts, a telephone survey of 800 schools in 160 districts, a representative site visit to 24 districts in 12-16 states, and a special purpose site visit to 36 districts in eight states.

A descriptive report will be prepared of educational and administrative practices at the local level under Chapter 2 in the 1984-85 school year. Four additional reports will present findings on special issues relevant to the block grant:

- Whether federal intentions such as reduction in administrative burden and educational improvement have been achieved.
- How intergovernmental relations have been affected by Chapter 2.
- How local operations and activities have been influenced by changes in funding and by requirements for participation of private schools and the public.
- Alternative methods for LEAs and SEAs to evaluate the effectiveness of Chapter 2, including implications of these alternatives for the federal level.

Study of Block Grant Implementation
General Accounting Office, for the Congress
Contact: Paul Grishkat - (202) 245-9623
441 G Street, NW, Washington, DC 20202

The study was conducted to provide information for the Congress concerning the implementation of Chapter 2. Thirteen states were involved: California, Colorado, Florida, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, Pennsylvania, Texas, Vermont, and Washington. Questionnaires were distributed to Chapter 2 program officers in the participating states requesting information on the use of the state's portion of Chapter 2 funds by state agencies, as well as on the use by local education agencies of the 80 percent portion of the Chapter 2 block grant. Thus, data were collected both about programs operated locally under each of the three subchapters and about administrative activities at the state level. The 100-item questionnaire addressed areas such as the work of state advisory committees, state distribution formulas (especially in relation to high-cost students), monitoring and evaluation, public hearings, and provisions for inclusion of nonpublic schools.

Subsequently, a questionnaire concerning local education agency Chapter 2 programs was distributed to 1,300 randomly selected school districts throughout the country. The questionnaire, which contained 20 items, was generally parallel to the state-level instrument. Questions were asked about the types of services supported by Chapter 2 compared with those previously supported by categorical federal funding, about former categorical programs continued with Chapter 2, about decision making, and about administrative matters such as state requirements and the time required to administer Chapter 2.

Field work for the study was finished during the summer of 1984, with the report due for completion in the fall.

Chapter 2 State Systems Reviews
Office of the Inspector General (ED)
Contact: Guido Piacezi - (202) 245-0271
330 C Street, SW, Washington, DC 20004

This study is a nationwide audit of Chapter 2 compliance requirements at the state level. A pilot study was conducted in Kansas during 1983, with nine states participating in the full study during 1984: Arkansas, Connecticut, Idaho, Mississippi, Nevada, New Jersey, Utah, Virginia, and Wisconsin.

Seven areas were reviewed to determine the degree of compliance that states had achieved with the requirements of Chapter 2 law and regulations. They are:

- State Advisory Committees
- State Education Agency Administrative Responsibilities
- Fiscal Accountability
- Maintenance of Effort
- Supplement vs. Supplant
- Excess Cash
- Accomplishment of Chapter 2 Fiscal Audits

Reports for the individual states were completed by late summer 1984, with a nationwide report scheduled for completion during the fall.

Assessing State Administration of ECIA, Chapter 2
Division of Educational Support, U.S. Department of Education
Contact: Program officers for each state - (202) 245-7965
400 Maryland Avenue, SW, Washington, DC 20202

The objective of these individual state monitoring studies is to secure the information necessary for an accurate description of state education agency (SEA) activities in administering Chapter 2. There are five major components to each assessment:

- Meeting the purpose of Chapter 2.
- Organization and operation of State Advisory Committee.
- Procedures and documentation for maintenance of effort.
- Operation of the SEA Chapter 2 program including state staff structure, state policies and their implementation, state Chapter 2 application, state fiscal administration, and program evaluation.
- Operation of the LEA Chapter 2 program, including organization and structure of state staff for LEA program administration, state allocation of funds to LEAs, state regulations and policies, LEA applications and instructions, implementation of state policies, state fiscal requirements for LEAs, and LEA program evaluation.

Twenty-four state site visits were conducted by ED during the 1984 fiscal year. A composite report will be released at a national conference scheduled to be held in February 1985.

No Strings Attached: An Interim Report on the New Education Block Grant
National Committee for Citizens in Education
Contact: Anne Henderson - (301) 997-9300
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This study, funded by the Charles Stewart Mott Foundation, has as its purpose to help the lay public evaluate intelligently the effects of Chapter 2, and decide whether it is worthy of imitation. The following questions were addressed:

- Have the changes in the way funds are distributed and used under Chapter 2 been in response to genu-

ine assessments of state and local needs, or to other pressures and conditions?

• Have the provisions for public involvement in Chapter 2 been effective, and what role have parents and citizens played in program decisions?

• Now that funds may be used with virtually "no strings attached," are states and local districts still supporting the more controversial programs, such as voluntary desegregation or school improvement?

The report presents nationwide data and trends, and case studies from seven states: California, New Jersey, Ohio, Rhode Island, South Carolina, South Dakota, and Washington. It summarizes numerous findings and conclusions in the areas of change in the distribution of funds and how funds are used, as well as about parent and public involvement in Chapter 2. Some of those findings and conclusions are:

• The federal distribution formula has resulted in massive redistribution of federal funds away from states serving large numbers of poor non-white children toward more sparsely settled states with few minority children.

• Shifts in funding among school districts within states have been even more dramatic than shifts among states.

• Especially hard hit by the redistribution are the nation's 30 largest school districts.

• The average state has split its within-state formula so that about 70 percent is distributed according to enrollment and about 30 percent according to the number of "high-cost" children.

• Much of the shift in funding under Chapter 2 has come as a result of congressional changes in program structure, not as a result of state actions.

• State education agencies have made few changes in the mix of programs and activities they are supporting with Chapter 2.

• The block grant has greatly reduced the resources available for competitive awards to local districts for innovation and improvement.

• If federal aid is distributed to all school districts with minimal regard for need or purpose, it will tend to provide a small but convenient slush fund for local officials; if channeled toward critical educational needs, it can provide substantial help in meeting problems.

• Chapter 2 has brought about a profound change in the governance of the programs it consolidated; responsibility for selection, design, and implementation now rests entirely at the local level.

• Very little objective assessment of states' educational needs occurred during deliberations over formulas of state use of funds.

• It does not appear that local officials have become more responsive to local citizens as a result of Chapter 2's "no strings attached" approach.

This report was issued in September 1983.

The Impact of Chapter 2 of the ECIA on Local Education Agencies
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This study was designed to assess the impact of Chapter 2 on local education agencies by comparing funding through the 1981-82 categorical programs to funding through the 1982-83 block grant delivery system and by asking specifically how school districts are spending their Chapter 2 money. A survey was distributed in which four questions were asked.

• What was your school district's total allocation through the categorical programs during the 1981-82 school year?

• What was your total allocation under ECIA Chapter 2 for the 1982-83 school year?

• The following list of programs are those categorical programs which were consolidated into ECIA Chapter 2. Please designate the programs funded by your school district and provide the total amount allocated to each program. (The 28 programs were listed.)

• Briefly explain how you are using the money in each category. (i.e., microcomputers, computer software, inservice training, etc.)

Approximately 45 percent of a random sample of 2,500 large, mid-size, and small school districts responded to the survey. The results indicate that 31 percent of the LEAs received less money, 2 percent realized no funding gain or loss, and 67 percent received more funds from the block grant allocation than from categorical programs. More than one-third of the sample reported that their funds doubled under Chapter 2. Overall there is a 51 percent increase in the number of school districts receiving federal funds. Most LEAs reported that they used their Chapter 2 funds primarily to purchase books and materials, computer hardware and software, and audiovisual equipment. The majority of the previous categorical programs are not being funded at all by most school districts surveyed, and for those that are, the funding is at low levels.

Private School Participation in Chapter 2
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The purpose of this study was to examine both the basis for distributing Chapter 2 funds to private schools and whether or not private schools are providing the assurances of compliance with federal laws required for participating in federally funded programs. Questionnaires were distributed in January 1984, to urban school districts in the 15 states with the largest private school enrollments. Thirty-four school districts par-

ticipated from the following states: California, Florida, Illinois, Indiana, Louisiana, Maryland, Michigan, Missouri, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Texas, and Wisconsin.

School districts were asked to respond to questions which provided data for the following three areas of investigation:

- What was the total school district allocation of ECIA Chapter 2 funds and what amount of that total allocation was spent on services to private schools?
- When participating private schools receive additional funds *above* the basic per pupil allocation based on high-cost students enrolled in the public schools, are they required to submit the same qualification information as public schools?
- Do private schools receiving ECIA Chapter 2 funds provide the same assurance of compliance with federal civil rights regulations and statutes as public schools?

The study found that although the average percentage of participating school district allocations spent on services to private schools was 15.6 percent, the range varies from 3.9 to 29.1 percent. In addition, the study found that private schools which receive additional funds above the basic per pupil allocation for high-cost students often are not required to submit qualifying documentation, or, when they do provide information, LEA administrators often do not know what is provided or how it is provided to state agencies. Finally, the study found that private schools frequently do not sign any statement of compliance with Title VI, Title IX, Section 504, or non-profit status.

The study report was issued in April 1984.

An Occasional Report on Chapter 2 Formulas
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This report examines Chapter 2 distribution formulas on a state-by-state basis. Particular attention is given to how each state targets high-cost aid to districts with high numbers or percentages of special needs children. The report also discusses changes in the distribution formulas that may have to be made by some states because of amendments to the original Chapter 2 legislation. Among the findings are these:

- All but five states reserve the maximum allowable 20 percent of their total Chapter 2 allotments for the state set-aside.
- Of the Chapter 2 funds distributed to local school districts, 70 percent was distributed according to school enrollment and 30 percent for high-cost children.
- Seventeen states send aid for high-cost children only to districts with greater numbers of percentages of such children; the formulas vary widely.
- Fifteen states do not target any of their high-cost set-aside aid; 17 states target this aid for some but not all.
- Amendments to Chapter 2 probably will require at least 32 states to make changes in how they distribute aid to local schools.

Also noted are other, related issues which NCCE intends to treat later: tremendous disparities among per pupil allotments for high-cost children, the problem of rural school districts with small numbers but high percentages of special needs children, and the effects of varying definitions of need.

Fiscal Effects of the Chapter 2, ECIA Block Grant on the Largest Districts and Cities
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The purpose of this study was to describe the fiscal effects of Chapter 2 on the country's largest school districts and cities. Special attention was focused on the differential funding patterns under the block grant in the largest districts that previously received Emergency School Aid Act (ESAA) grants and those that did not. A sample of 28 districts was included in the study.

The study found that in the 28 sample districts, ESAA funds constituted, on the average, 65 percent of the antecedent program funding level. Among the 28 districts, 12 received more funds under the block grant in the first year than they had under the categorical program the preceding year; 16 districts received less. However, the 28 districts, in aggregate, lost considerably more funds the year *prior* to the block grant's implementation (FY 1980 to FY 1981) than they did under the block grant (FY 1981 to FY 1982). Due to the large size of many ESAA grants, the sample districts that had received large ESAA grants tended to lose the most federal funding under the block grant.

Districts operating under court-ordered desegregation plans which previously had received multi-million dollar ESAA grants tended to take the largest cuts. Some states attempted to ameliorate the losses in these districts through weighting factors in their Chapter 2 formulas, discretionary grants drawn out of their state Chapter 2 set-aside, or some combination of these approaches.

A number of policy implications were discussed in the report, which was issued in May 1983.

The Effects of the Chapter 2, ECIA Consolidation on the Administrative and Paperwork Requirements for Local School Districts

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The purpose of this study was to analyze how the administrative and paperwork requirements with which local school districts must comply have been affected by the consolidation of 28 federal education programs into Chapter 2. Interviews with Chapter 2 administrators in three states and nine local education agencies provided the basis for the report.

The principal finding was that the administrative and paperwork requirements were indeed reduced significantly, especially for districts that participated in several prior categorical programs. The reason, simply stated, is that although a district may spend its Chapter 2 allocation on several projects, it is considered to be a single program for administrative purposes. In addition, the study found the following (p. 29ff):

> "According to respondents in districts that participated in several of the antecedent programs, the reduction in administrative and paperwork burden was not achieved without some costs, however. Some innovative local research and development projects have been terminated because local needs with stronger constituencies have attracted the Chapter 2 funds. Because there are now fewer planning and evaluation requirements, some districts are spending less time on those functions, although in other districts the commitment to planning and evaluation remains strong. Some state and local officials worry that accountability mechanisms may not be as firmly in place as in the past. State officials, in particular, worry that because of loose and unstandardized evaluation requirements, policy makers may never know what impact the dollars have had on education."

The report was issued in June 1983.

Perspectives on the Education Block Grant in Its First Year of Operation

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The purpose of this report is to summarize public testimony on Chapter 2 presented at a series of regional hearings under the sponsorship of the Intergovernmental Advisory Council on Education (IACE). The regional hearings took place during the first year of the program's implementation (1982-83) and were held in San Francisco, Atlanta, Denver, Boston, and Mt. St. Joseph (OH) between February and June 1983. A total of 57 persons presented testimony, most speaking on their own behalf, with a number presenting the position of associations they represented.

Comments from those presenting testimony recognized that LEAs were exercising a greater degree of discretion over the use of Chapter 2 funds than had been the case under the antecedent categorical programs. There also was recognition of the lack of accountability mechanisms and an expression of concern that the success of the program would therefore go unnoticed by federal policy makers. Testimony reflected the degree to which Chapter 2 is a departure from traditional federal programs of educational support.

The report notes that there were few comments concerning state advisory committees and public involvement in decision making. A great deal of time was spent in testimony on the loss of funds under the Chapter 2 program; comments confirmed the findings of other studies that while some urban areas lost funds under Chapter 2, suburban systems gained. There was general criticism, and only a little support, for Chapter 2's requirement that private school participate in the program.

Some participants testified that Chapter 2 enables LEAs to do things not previously done, while some teachers stated they had not seen evidence of the Chapter 2 program in the classroom. Testimony was mixed with respect to favoring or opposing the block grant concept.

The report concludes that the hearings were of assistance to those interested in the administration and evaluation of Chapter 2.